



NEVADA BUSINESS CONDITIONS

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The “second” estimate for U.S. real gross domestic product (GDP) for the first quarter of 2018 showed growth at an annual rate of 2.2 percent, down by 0.1 percentage point from the previous estimate of 2.3 percent. The downward revisions reflected smaller private inventory investment, residential fixed investment, and net exports, which were partly offset by a larger nonresidential fixed investment than previously reported. The overall picture of GDP growth did not change except for residential fixed investment, which actually saw a negative contribution with more complete data. The increase in real GDP largely reflected moderate growth in business investment. Consumer spending, which explains about two-thirds of real GDP, posted the weakest growth since the second quarter of 2013. U.S. nonfarm employment added a stronger-than-expected 223,000 jobs in May. The unemployment rate dropped for the second consecutive month to 3.8 percent, the lowest since April 2000. May average hourly earnings edged up to 2.7 percent year-over-year due to a tighter labor market. Retail sales in April posted the second straight monthly rise, up by 0.2 percent, which shows consumer spending rebounding from weak growth earlier this year. April housing starts increased strongly by 10.5 percent year-over-year, and seasonally adjusted housing prices in the United States also continued to increase. The above target inflation and a tightening labor market may signal four interest rate hikes by the Fed in 2018. The recent uncertainty about a potential tariff war, however, may provide a significant headwind.

The Nevada economy posted robust economic activity based on the most recent data. Seasonally adjusted statewide employment added 4,300 jobs in April. The unemployment rate, nonetheless, remained unchanged at 4.9 percent for the ninth consecutive month. Taxable sales in March gained slightly, up by 0.4 percent, year-over-year, but up 24.3 percent month-over-month. Gasoline sales (in gallons) decreased by 1.6 percent during the same period. The first yearly decline after 12 consecutive months of gains may reflect skyrocketing gasoline prices. April gaming revenue robustly rose by 7.6 percent year-over-year despite a sharp fall in baccarat win. Total air passengers climbed by 1.8 percent year-over-year.

Clark County experienced favorable signals in local economic activity. Seasonally adjusted employment added

1,600 new jobs from March to April. The unemployment rate ticked down to 5.1 percent. April visitor volume to Clark County was relatively flat compared to last year with only a 0.03 percentage point decline. Las Vegas, however, experienced a 0.1 percent increase, ending the 10 consecutive months of year-over-year losses. Total McCarran Airport passengers and gaming revenue rose by 3.1 and 8.1 percent, respectively, during the same period. Clark County taxable sales in March experienced a yearly gain of 2.3 percent, while gasoline sales for March dropped by 2.4 percent year-over-year. November residential housing permits rose strongly by 40.8 percent year-over-year.

Washoe County posted mixed signals. The Reno-Sparks seasonally adjusted employment gained 800 jobs from March to April and was up by 4.1 percent from last year. The unemployment rate edged down to 3.8 percent in April. March taxable sales for Washoe and Storey Counties continued a yearly loss of 8.8 percent due to a weak performance in Storey County. April visitor volume fell by 3.3 percent compared to a year ago. Residential housing permits in April declined slightly by 1.8 percent compared to last year.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2018M04	000s, SA	1376.0	1371.7	1330.7	0.3%	3.4%	Up Over Year Ago
Unemployment Rate*	2018M04	%, SA	4.9	4.9	5.1	0.0%	-0.2%	Flat Month-Over-Month
Taxable Sales	2018M03	\$billion	5.413	4.355	5.394	24.3%	0.4%	Up Over Year Ago
Gaming Revenue	2018M04	\$million	953.70	1024.32	886.53	-6.9%	7.6%	Up Over Year Ago
Air Passengers	2018M03	million persons	4.679	3.886	4.596	20.4%	1.8%	Up Over Year Ago
Gasoline Sales	2018M03	million gallons	101.62	91.18	103.24	11.5%	-1.6%	Down From Year Ago
Clark County								
Employment	2018M04	000s, SA	998.4	996.8	967.9	0.2%	3.2%	Up Over Year Ago
Unemployment Rate*	2018M04	%, Smoothed SA	5.1	5.2	5.4	-0.1%	-0.3%	Reduced
Taxable Sales	2018M03	\$billion	3.940	3.203	3.851	23.0%	2.3%	Up Over Year Ago
Gaming Revenue	2018M04	\$million	825.33	888.31	763.20	-7.1%	8.1%	Up Over Year Ago
Residential Permits	2017M11	units permitted	1659	908	1178	82.7%	40.8%	Strong Increase
Commercial Permits	2017M11	permits	33	34	41	-2.9%	-19.5%	Low and Volatile
Air Passengers	2018M04	million persons	4.188	4.298	4.062	-2.6%	3.1%	Up Over Year Ago
Gasoline Sales	2018M03	million gallons	70.65	63.21	72.38	11.8%	-2.4%	Down From Year Ago
Visitor Volume	2018M04	million persons	3.838	4.063	3.839	-5.5%	-0.03%	Relatively Flat Year-Over-Year
Washoe County								
Employment**	2018M04	000s, SA	238.5	237.7	229.0	0.3%	4.1%	Up Over Year Ago
Unemployment Rate*	2018M04	%, Smoothed SA	3.8	3.9	4.3	-0.1%	-0.5%	Reduced
Taxable Sales**	2018M03	\$billion	0.903	0.696	0.990	29.7%	-8.8%	Down From Year Ago
Gaming Revenue	2018M04	\$million	65.40	70.46	64.19	-7.2%	1.9%	Up Over Year Ago
Residential Permits	2018M04	units permitted	478	172	487	177.9%	-1.8%	Down From Year Ago
Commercial Permits	2018M04	permits	42	66	32	-36.4%	31.3%	Low and Volatile
Air Passengers	2018M03	million persons	0.356	0.297	0.354	20.0%	0.7%	Up Over Year Ago
Gasoline Sales**	2018M03	million gallons	14.85	14.00	14.86	6.1%	-0.02%	Relatively Flat Year-Over-Year
Visitor Volume	2018M04	million persons	0.398	0.422	0.411	-5.8%	-3.3%	Down From Year Ago
United States								
Employment	2018M05	million, SA	148.662	148.439	146.299	0.2%	1.6%	Up Over Year Ago
Unemployment Rate*	2018M05	%, SA	3.8	3.9	4.3	-0.1%	-0.5%	Reduced
Consumer Price Index	2018M04	82-84=100, SA	250.0	249.5	244.1	0.2%	2.4%	Up Over Year Ago
Core CPI	2018M04	82-84=100, SA	256.5	256.2	251.1	0.1%	2.1%	Up Over Year Ago
Employment Cost Index	2018Q1	05.12=100, SA	132.0	130.7	128.3	1.0%	2.9%	Up Over Year Ago
Productivity Index	2018Q1	2009=100, SA	109.0	108.7	107.5	0.3%	1.4%	Up Over Year Ago
Retail Sales	2018M04	\$billion, SA	497.1	496.0	475.1	0.2%	4.6%	Up Over Year Ago
Auto and Truck Sales	2018M04	million, SA	17.08	17.37	16.97	-1.6%	0.7%	Up Over Year Ago
Housing Starts	2018M04	million, SA	1.287	1.336	1.165	-3.7%	10.5%	Up Over Year Ago
Real GDP***	2018Q1	2009\$billion, SA	17379.7	17286.5	16903.2	2.2%	2.8%	Robust Growth
Dollar Exchange Rate	2018M05	97.01=100	121.302	118.173	123.659	2.6%	-1.9%	Down From Year Ago
Trade Balance	2018M04	\$billion, SA	-46.199	-47.210	-46.074	-2.1%	0.3%	Year-Over-Year Deficit Increase
S and P 500	2018M05	monthly close	2705.27	2648.05	2411.80	2.2%	12.2%	Increased
Real Short-term Rate*	2018M05	%, NSA	-0.94	-0.94	-1.71	0.0%	0.8%	Flat Month-Over-Month
Treasury Yield Spread*	2018M05	%, NSA	1.12	1.11	1.41	0.01%	-0.3%	Down From Year Ago

Note: NSA = Not Seasonally Adjusted, SA = Seasonally Adjusted

*Growth data represent change in the percentage rate

**Reflects the Reno-Sparks MSA which includes Washoe and Storey Counties

***Recent growth is an annualized rate

Sources: Nevada Department of Taxation; Nevada Department of Employment, Training, and Rehabilitation; UNR Bureau of Business and Economic Research; UNLV Center for Business and Economic Research; McCarran International Airport; Reno/Tahoe International Airport; Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority; U.S. Department of Commerce; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Federal Reserve System.